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FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

MUR 2314
Date Complaint Received by
OGC: January 13, 1987
Date of Notification to
Respondents: January 16,
1987
Staff Member: Jonathan Levin

COMPLAINANT'S NAME: Richard Segerblom

RESPONDENTS' NAMES: National Republican Senatorial Committee
Richard G. Nelson, as treasurer

Republican National Committee
William J. McManus, as treasurer

Jim Santini for Senate
J. Glen Sanford, as treasurer

Friends of Jim Santini
Anne C. Holbach, as treasurer

James D. Santini

RELEVANT STATUTES
AND REGULATIONS:

2 U.S.C. § 434(b)
2 U.S.C. § 441a(a)(2)(A)
2 U.S.C. § 441a(f)
2 U.S.C. § 441a(h)
11 C.F.R. § 100.7(b)(1)
11 C.F.R. § 100.8(b)(1)
11 C.F.R. § 110.6(c)
11 C.F.R. § 110.6(d)

INTERNAL REPORTS
CHECKED:

Public Records

FEDERAL AGENCIES
CHECKED:

None

SUMMARY OF ALLEGATIONS

Complainant makes allegations that the National Republican Senatorial Committee ("NRSC") and/or the RNC made transfers to Jim Santini for Senate ("the Santini Committee") in excess of the

limits of 2 U.S.C. § 441a(h) and/or 2 U.S.C. § 441a(a)(2)(A). Complainant contends that the NRSC and/or the RNC obtained funds from individuals in various states, exercised direction and control of these funds, and forwarded them to the Santini Committee. He also alleges reporting violations by the NRSC, the RNC, the Santini Committee, and Mr. Santini himself in connection with these transactions.

FACTUAL AND LEGAL ANALYSIS

On January 13, 1987, this Office received a complaint filed by Richard Segerblom against the above-named respondents. Complainant alleges that the NRSC and/or the RNC obtained funds from "individuals in several states through mail and telephone solicitations," that contributions were mailed to the NRSC and/or the RNC, and that the NRSC and/or the RNC through the NRSC disbursed these funds to the Santini Committee through the use of wire transfers as well as the mails. He maintains that the NRSC, acting as a conduit, "exercised direction or control over the choice of the intended recipient of the contribution," and that, therefore, the contributions should be considered to have been made by both the original contributor and the conduit in accordance with 11 C.F.R. § 110.6(d). He asserts that, between March, 1986, and October, 1986, the NRSC obtained \$700,000 in this way and determined that the Santini Committee would receive these funds.

Complainant cites what he considers to be the best example of such an exercise of direction or control, referring to the

report in the Santini Committee's 1986 April Quarterly of the receipt on March 31, 1986, of \$19,012 in individual contributions for which the NRSC was a conduit. That report listed numerous small contributions from various states received by the NRSC and directed to the Santini Committee between March 25 and March 31, 1986. Complainant points out that Mr. Santini did not announce his candidacy until March 24, 1986. He maintains that it "would have been physically impossible for the allegedly conduited contributions to have been made to the Santini Committee without the exercise of direction or control" by the NRSC. He states that

for the [NRSC] to receive those funds by March 25th, it would have had to contact contributors in at least seventeen States by a very expeditious means, and those contributors would have had to wire or at least express mail those funds, in order for the [NRSC] to have received them by midnight on March 25, 1986.

Instead, the complainant believes that the NRSC received the funds through direct mail fundraising and determined to direct them to the Santini Committee. Complainant also states that "it is possible" some of those funds were solicited by the RNC and transferred to the NRSC "for the purpose of contributing those sums to the Santini Committee." In making these allegations, complainant is alleging violations of 2 U.S.C. § 441a(h) by the NRSC, 2 U.S.C. § 441a(a)(2)(A) by the RNC, and 2 U.S.C.

§ 441a(f) by the Santini Committee.* /

Complainant finally alleges that the above-listed respondents "knew, directed, intended and agreed that the transfers at issue would not be accurately reported." It appears, therefore, that he is alleging that the NRSC, the RNC, and the Santini Committee committed knowing and willful violations of 2 U.S.C. § 434(b) and 11 C.F.R. § 110.6(c), as well as knowing and willful violations of the previously cited sections.

The RNC submitted a response on February 5, 1987 and the treasurer of the Santini Committee submitted a response received on February 24, 1987, after an extension of time to reply had been granted by this Office. Mr. Santini has stated that the treasurer's reply speaks for him also. (A review of reports filed by Santini's committees indicates that the Friends of Jim Santini, the exploratory committee, became Jim Santini for Senate.)

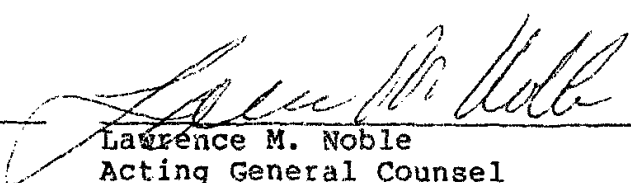
On February 20, this Office received a letter from counsel to the NRSC informing this Office of a need for an extension until March 10. Upon this Office's recommendation, the Commission granted the extension. On March 10, this Office

* / Complainant also refers to Mr. Santini's "Exploratory Committee," Friends of Jim Santini. It appears that this committee was mentioned as another possible recipient of funds from the NRSC that would exceed the limits of 2 U.S.C. § 441a(a)(2)(A) and would, therefore, violate 11 C.F.R. §§ 100.7(b)(1) and 100.8(b)(1).

received a lengthy response from counsel for the NRSC. After reviewing all of the responses, this Office will report to the Commission with appropriate recommendations.

Date

3/20/87


Lawrence M. Noble
Acting General Counsel